

EXHIBIT A
TO THE GENERAL IMPROVEMENT ASSESSMENT
ORDINANCE

CITY OF ARLINGTON, TEXAS

PID NO. 1

**GENERAL PUBLIC IMPROVEMENT SERVICE
AND ASSESSMENT PLAN**

(GLORYPARK PROJECT)

December 17, 2007

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SECTION I INTRODUCTION AND DEFINED TERMS

1.1 Introduction

Capitalized terms used herein shall have the meanings ascribed to them in Section 1.2 of this Service and Assessment Plan.

Chapter 372 of the PID Act governs the creation of public improvement districts in the State of Texas.

On July 3, 2007, the City Council passed and approved Resolution No. 07-417 approving and authorizing the creation of PID No. 1 to design, construct, and finance public improvements for the benefit of certain property within PID No. 1, all of which property is located within the City.

This Service and Assessment Plan relates to the design, construction, and financing of the General Improvements and has been prepared pursuant to Sections 372.013, 372.014, 372.015, and 372.016 of the PID Act. According to the PID Act, a service plan must cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. The PID Act further requires that the service plan be reviewed and updated annually to determine the annual budget for improvements. The service plan required by the PID Act is included in Section IV of this Service and Assessment Plan.

Section 372.014 of the PID Act states that an assessment plan must be included in the annual service plan. The assessment plan required by the PID Act is included in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act states that the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district. The method apportioning the General Improvement Costs and expenses (i.e., the sum of the Costs of the General Improvements, the Financing Costs and Expenses, and the Administrative Costs and Expenses) to be assessed against property within PID No. 1 is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act states that after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter. The General Improvement Assessment Roll stating the General Improvement Assessments for PID No. 1 is included as an exhibit to this Service and Assessment Plan. The General Improvement Assessments are based on the method of assessment described in Section V of this Service and Assessment Plan.

The City Council shall make all determinations necessary herein.

1.2 Definitions

The capitalized terms used in this Service and Assessment Plan and not otherwise defined in this Service and Assessment Plan shall have the following meanings:

“Administrative and Financing Costs Fund” shall have the meaning given to such term in the Trust Indenture.

“Administrative Costs and Expenses” mean the following amounts for which assessments are levied by subsection 5(c) of the Assessment Ordinance: the following reasonable costs and expenses as determined by the City: (i) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of PID No. 1 in relation to the General Improvements; (ii) a portion of the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the TIRZ in relation to the General Improvements; and (iii) costs and expenses related to the administration of the General Improvements and their financing. The costs and expenses described in the preceding clauses (i), (ii), and (iii) include, but are not limited to: (A) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors to the City and the Developer; (B) creating and organizing and administering the TIRZ and PID No. 1 and preparing the General Improvement Assessment Roll; (C) computing, levying, collecting, and billing for the General Improvement Assessments; (D) preparing and developing plans by the City and the Developer and negotiating and implementing the documents and agreements related to the General Improvements and the Bonds; (E) maintaining the record of installments, payments and reallocations and/or cancellations of the General Improvement Assessments; (F) investing or depositing any General Improvement Assessments; and (G) paying the Trustee's fees and expenses with respect to the Bonds (including the reasonable fees and expenses of its legal counsel).

“Administrator” means an employee or designee of the City who shall have the responsibility to administer this Service and Assessment Plan.

“Annual Service Plan Update” means the annual update to this Service and Assessment Plan as required by the PID Act.

“Assessment Ordinance” means Ordinance No. ____, to be adopted by the City Council of the City that approves and implements this Service and Assessment Plan and levies the General Improvement Assessments and ordains related matters.

“Assessed Property” means, for any year, Parcels other than Non-Benefited Property.

“Assessment Year” means the annual cycle for which the General Improvement Annual Payment is determined for each Parcel, the Annual Service Plan Update prepared, the General Improvement Assessment Roll updated, and the General Improvement Annual Payment collected.

"Available TIRZ Revenues" means the total of the incremental ad valorem tax revenues plus the incremental sales and use tax revenues available and required by the General Improvement Assessment Ordinance to be applied as a credit to and reduction of the General Improvement Annual Revenue Requirement.

"Bank" means the Bank of America, N.A. or any successor provider of a the Letter of Credit.

"Bond Fund" shall have the meaning given to such term in the Trust Indenture.

"Bonds" means bonds to be issued by the City in the principal amount of \$48,800,000 for the purpose of paying a portion of the costs of constructing the General Improvements, creating certain reserves, providing for capitalized interest, paying the costs of issuance, and having annual mandatory redemption requirements in the years and amounts identified in paragraph (i) of subsection 5(a) of the Assessment Ordinance, to be entitled "City of Arlington, Texas, Glorypark Public Improvement District Multi-Modal Special Assessment and Tax Increment Revenue Bonds, Series 2008 (Glorypark General Improvements)" and any bonds, notes, or other obligations of the City issued for the purpose of refunding and refinancing all or any portion of such bonds.

"Building Square Footage" or **"BSF"** means the actual or for property upon which no improvements have been constructed, the estimated, leasable building area as shown on the building permit, architectural plans, or other available documents. If no information is available on the estimated leasable building area, Building Square Footage may be estimated by net usable land area and the estimated floor area ratio for the property.

"City" means the City of Arlington, Texas.

"City Council" means the duly elected governing body of the City.

"Costs of the General Improvements" mean the total of the following amounts for which General Improvement Assessments are levied by the Assessment Ordinance:

- (i) As identified in Section 5(a)(i) of the Assessment Ordinance, \$48,800,000 being the face principal amount of the Bonds and the total of the principal installments (subject to adjustment as described in Section 2(b)(iii)(A)(5) of the Assessment Ordinance; plus
- (ii) As identified in Section 5(a)(ii) of the Assessment Ordinance, interest on the principal installments; plus
- (iii) As identified in Section 5(a)(iii) of the Assessment Ordinance, \$2,126,476, being the aggregate amount of four equal annual deposits required to be deposited to the Debt Service Reserve Fund under the Bond Indenture, beginning on February 1, 2009; and

(iv) As identified in Section 5(d) of the Assessment Ordinance, the lesser of \$3,000,000 or the amount by which the actual costs to construct the General Improvements exceeds funds from the proceeds of Bonds and from other sources identified in the General Improvement Construction Contract.

"Debt Service Reserve Fund" shall have the meaning given such term in the Trust Indenture.

"Debt Service Reserve Requirement" shall have the meaning given such term in the Trust Indenture.

"Delinquent Collection Costs" mean interest, penalties, and attorneys' fees imposed with respect to delinquent installments of a General Improvement Assessment imposed in accordance with §372.018(b) of the PID Act and the costs related to pursuing collection of a delinquent installment of a General Improvement Assessment and foreclosing the lien against the Assessed Property, including attorneys' fees.

"Developer" means GLORYPARK TOWN CENTER, LP, a Delaware limited partnership.

"Financing Costs and Expenses" mean the total of the following amounts for which assessments are levied by subsection 5(b) of the Assessment Ordinance:

(i) as provided in subsection 5(b)(i)(A) of the Assessment Ordinance, Letter of Credit Fee; plus

(ii) as provided in subsection 5(b)(i)(B) of the Assessment Ordinance, the Letter of Credit Draw Fees; plus

(iii) as provided in subsection 5(b)(ii) of the Assessment Ordinance, the amount, if any, that the City is required to pay to the SWAP Provider under the Interest Rate Management Agreement; plus

(iv) as provided in subsection 5(b)(iii) of the Assessment Ordinance, a termination payment payable to the Swap Provider in an amount up to \$2,500,000; plus

(v) as provided in Section 5(b)(iv) of the Assessment Ordinance, any other fees, costs, and expenses that are or become payable under the Letter of Credit Agreement and Interest Rate Management Agreement and fees and expenses incurred in connection with the remarketing of the Bonds.

"General Improvement Adjusted Annual Installment" means the General Improvement Annual Installment adjusted annually in accordance with Section VI of this Service and Assessment Plan.

“General Improvement Annual Credit” means the annual credit to the General Improvement Annual Installment calculated as provided in Section VI of this Service and Assessment Plan.

“General Improvement Annual Installment” means, with respect to each Parcel, the amount designated as the General Improvement Annual Installment on Exhibit B attached to this Service and Assessment Plan or in any Annual Service Plan Update and accompanying General Improvement Assessment Roll, calculated in accordance with Section VI of this Service and Assessment Plan.

“General Improvement Annual Payment” means the portion of the General Improvement Annual Installment to be paid by the Owners of Assessed Property each year as determined by Section VI of this Service and Assessment Plan.

“General Improvement Annual Revenue Requirement” means, for any Assessment Year, the sum of the amounts required to make the annual payments required by Section 6.6 of this Service and Assessment Plan less Available TIRZ Revenues.

“General Improvement Assessment Roll” means the assessment roll attached as Exhibit C to this Service and Assessment Plan, as updated, modified or amended from time to time in accordance with the procedures set in this Service and Assessment Plan and in the PID Act. The Parcel identified on the General Improvement Assessment Roll is shown on Exhibit B.

“General Improvement Assessments” means the total of the assessments to be levied in Section 5 of the Assessment Ordinance to pay: (i) the Costs of the General Improvements; plus (ii) the Administrative Costs and Expenses; and plus (iii) the Financing Costs and Expenses.

“General Improvement Construction Contract” means the agreement identified by such name in the Assessment Ordinance.

“General Improvement Equivalent Unit” means for Retail Property, Office Property, and Hotel Property, the BSF in 1,000s of square feet built or that may be built on a Parcel and for Residential Property, the number of dwelling units built or that may be built on a Parcel, multiplied by the factors for each land use classification as shown below, which factors represent an allocation of General Improvement Costs and Expenses among the classifications.

Retail Property	1.00 per 1,000 BSF
Office Property	0.21 per 1,000 BSF
Hotel Property	0.30 per 1,000 BSF
Residential Property	0.14 per unit

“General Improvement Costs and Expenses” mean the sum of the Costs of the General Improvements, the Financing Costs and Expenses, and the Administrative Costs and Expenses.

“General Improvements” means improvements to the public streets, water, sewer, and drainage facilities, erosion control walls, urban park sites, and other public infrastructure and improvements shown on Table III-A of this Service and Assessment Plan.

“Hotel Property” means Assessed Property used or intended to be used primarily as a hotel, including meeting space within or appurtenant to a hotel, and any ancillary uses thereto.

“Interest Rate Management Agreement” means the Interest Rate Management Agreement as defined in the Assessment Ordinance, to be entered into by the City and the Bank of America, N.A., as counterparty under the Interest Rate Management Agreement concurrently and in connection with the issuance of the Bonds substantially in the form and substance approved by the City Council of the City concurrently with its approval of the Bonds, in order to substantially fix the City’s payment obligations with respect to the Bonds during such time as the Bonds bear interest at other than a fixed rate and while such agreement is in effect.

“Letter of Credit” means the Letter of Credit as defined in the Assessment Ordinance, which is the direct-pay letter of credit to be issued by the Bank under the Letter of Credit Agreement.

“Letter of Credit Agreement” means the Letter of Credit Agreement as defined in the Assessment Ordinance, which is the agreement providing for the issuance of the Letter of Credit to be executed by the City and the Bank concurrently with the issuance of the Bonds substantially in the form and substance approved by the City Council of the City concurrently with its approval of the Bonds

“Mandatory Prepayment Amount” means the amount due upon the occurrence of a Mandatory Prepayment Event.

“Mandatory Prepayment Event” means the prepayment event described in Section VI of this Service and Assessment Plan.

“Maximum General Improvement Assessment” means \$240,000 per General Improvement Equivalent Unit for the General Improvement Assessment.

“Maximum Interest Rate” means the lesser of (i) the interest rate on the Bonds, or (ii) fifteen percent (15%) per annum.

“Non-Benefited Property” means Parcels that receive no special benefit from the General Improvements, including Public Property, Owner Association Property, property required for the General Improvements, and easements primarily for the benefit of a public utility provider. Non-Benefited Property is identified at the time the General Improvement Assessments are imposed and upon any reallocation as a result of a subdivision of a Parcel that includes Non-Benefited Property. If the General Improvement Assessment cannot be reallocated pursuant to Section VI of this Service and Assessment Plan, Assessed Property that is converted to Non-Benefited Property remains subject to the General Improvement Assessment and the General Improvement

Assessment may be required to be prepaid as provided in Section 6.4 of this Service and Assessment Plan. Non-Benefited Property later converted to a use inconsistent with Non-Benefited Property may have the General Improvement Assessment allocated to this property as a result of a consolidation of the Parcel with other Parcels of Assessed Property.

“Office Property” means Assessed Property used or intended to be used primarily as office space, including any ancillary uses thereto.

“Owner” means the owner of a Parcel that is part of the Assessed Property.

“Owner Association Property” means property within the boundaries of PID No. 1 that is owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, a property owners' association (if not used in a trade or business to produce income) and available for use by property owners in general.

“Parcel” means, a parcel or tract of land located within PID No. 1 and identified (i) by a tax map identification number assigned by the Tarrant County Central Appraisal District for real property tax purposes, (ii) by lot and block in a final subdivision plat recorded in the real property records of Tarrant County, Texas, or (iii) by any other means determined by the City Council. A Parcel may include Hotel Property, and/or Retail Property, and/or Office Property, and/or Residential Property.

“PID Act” means Chapter 372, Local Government Code, as amended, entitled the “Public Improvement District Assessment Act.”

“PID No. 1” means “Glorypark Public Improvement District No. 1 of the City of Arlington,” created by the City Council by Resolution No. 07-417, adopted on July 3, 2007, pursuant to the PID Act.

“Public Property” means property within the boundaries of PID No. 1 that is owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, the Arlington Sports Facilities Development Authority, the federal government, State of Texas, the City, a school district, or any other public agency.

“Residential Property” means Assessed Property used or intended to be used primarily for residential dwelling units, including any ancillary uses thereto.

“Retail Property” means Assessed Property used or intended to be used primarily for retail sales to the public, including any ancillary uses thereto.

“Service and Assessment Plan” means this City of Arlington, Texas PID No. 1 General Public Improvement Service and Assessment Plan (Glorypark Project).

“TIRZ” means Tax Increment Reinvestment Zone Number Five, City of Arlington, Texas – Entertainment District, created by Ordinance No. 06-117, adopted by the City Council of the City on second and final reading on December 19, 2006, pursuant to Section 311.005 of the TIRZ Act.

"TIRZ Act" means Chapter 311, Tax Code, as amended.

"Trust Indenture" means that certain trust agreement between the City and Wells Fargo Bank, National Association, securing the Bonds and approved by ordinance of the City Council of the City that authorizes and approves the issuance and sale of the Bonds.

"Trustee" means the trustee for the Bonds, to be specified and named in the Trust Indenture, initially, Wells Fargo Bank, National Association.

SECTION II

PROPERTY AND PROPOSED DEVELOPMENT WITHIN PID NUMBER ONE

2.1 A map of the property included in PID No. 1 is shown on Exhibit A to this Service and Assessment Plan. There is currently a single Parcel of Assessed Property as shown on Exhibit B and the General Improvement Assessment Roll. The existing Parcel of Assessed Property is expected to be subdivided and consolidated with property that is currently Non-Benefited Property at a later date, at which time the General Improvement Assessment will be reallocated to each Parcel in accordance with the terms of this Service and Assessment Plan. Certain public property that is currently classified as Non-Benefited Property is expected to be converted private property, and certain private property that is currently Assessed Property is expected to become public property and converted to Non-Benefited Property in conjunction with that consolidation and subdivision.

2.2 For purposes of allocating General Improvement Costs and Expenses to property in PID No. 1, such property has been classified as either Assessed Property or Non-Benefited Property. Assessed Property is further classified based on its projected use as Retail Property, Office Property, Hotel Property, or Residential Property. The proposed development of property in PID No. 1 (based on land use classifications) is shown by Table II-A below. An explanation of the method of assessing property within PID No. 1 is provided in Section V of this Service and Assessment Plan.

Table II-A
Land Use Classifications And Proposed Development

Land Use Classifications	Proposed Development (BSF)
Retail Property	795,129
Office Property	224,877
Hotel Property	403,306
Residential Property	666,054 (472 units)

SECTION III
**GENERAL IMPROVEMENTS, COSTS OF GENERAL IMPROVEMENTS,
FINANCING COSTS AND EXPENSES, AND ADMINISTRATIVE COSTS AND
EXPENSES**

3.1 Section 372.003 of the PID Act defines public improvement projects that may be undertaken by a municipality or county through the establishment of a public improvement district. After analyzing the General Improvements, the City has determined that they are projects authorized by the PID Act, should be undertaken by the City, and will be of special benefit to the Assessed Property and the TIRZ. The General Improvements consist generally of public roads, including utilities within the roads, signalization, streetscape and landscaping in the road rights-of-way, sidewalks, bridges, bollards, street lighting, fountains, and hardscape in the road rights-of-way and small parks along the roads.

3.2 Costs of the General Improvements. Table III-A below summarizes the estimated costs to construct the General Improvements. The costs shown are not the total costs of the General Improvements.

Table III-A
Estimated Costs to Construct the General Improvements

Improvement	Estimated Cost
Road to Six Flags	\$6,129,199
54 inch and 36 inch sanitary sewer	\$17,991,702
West Loop Road	\$5,786,401
Randol Mill	\$1,401,925
Rogers Street	\$1,314,937
Signalization	\$599,673
Sanitary, water, and storm distribution	\$5,893,070
Retaining walls adjacent to Johnson Creek	\$6,438,981
Ballpark Way/Randol Mill turn lanes	\$150,000
Consultant fees	\$2,085,106
Permits, plan review, and inspection	\$784,000
Contingency	\$2,428,749
Total estimated costs to construct the General Improvements	\$51,003,743

3.3 Bond Financed Costs of the General Improvements. Table III-B below explains how the costs to construct the General Improvements will be paid from the issuance of Bonds. The costs shown are not the total costs of the General Improvements. A portion of the costs shown on Table III-B will be paid by the Developer.

Table III-B
Estimated Issuance of Bonds

Use of Funds	Amount
Estimated costs to construct the General Improvements	\$51,003,743
Less: other funds	(\$10,694,580)
Bond funded construction costs	\$40,309,163
Underwriter's discount	\$244,000
Costs of issuance	\$1,424,000
Letter of credit fees (first year)	\$380,250
Administrative costs (first year)	\$75,000
Financing costs (first year)	\$1,000
Debt service reserve fund	\$2,126,476
Capitalized interest	\$4,240,111
Estimated issuance of bonds	\$48,800,000

3.4 Summary of Costs of the General Improvements. Table III-C below summarizes the Costs of the General Improvements. The costs shown are not the total costs of the General Improvements. A portion of the costs shown on Table III-C will be paid by the Developer. Savings from one line item may be applied to a cost increase in another line item.

Table III-C
Summary of the Costs of the General Improvements

Use of Funds	Amount
Principal amount of the bonds	\$48,800,000
Interest on principal installments at 15%	\$127,764,750
Payments to the debt service reserve fund	\$2,126,476
General Improvement construction costs	\$3,000,000
Total costs of the General Improvements	\$181,691,226

(1) The Debt Service Reserve Fund will be funded with one deposit of \$2,126,476 made at the time of issuance of the Bonds using Bond proceeds and four additional equal annual deposits beginning in 2009.

3.5 Financing Costs and Expenses. Table III-D below summarizes the Financing Costs and Expenses to be paid in connection with the General Improvements and the issuance of the Bonds.

Table III-D
Summary of Financing Costs and Expenses

Use of Funds	Amount
Letter of credit maintenance fees	\$6,293,238
Letter of credit facility use charges	\$37,500
Interest Rate Management Agreement Payments	\$250,000
Interest Rate Management Agreement termination payment	\$2,500,000
Renewal and extension fees on the LC and Int. Rate Mgmt. Agreement	\$250,000
Remarketing agent fees	\$425,883
Total Financing Costs and Expenses	\$9,756,621

3.6 Administrative Costs and Expenses. The estimated Administrative Costs and Expenses for each year are shown in Table IV-B. Administrative Costs and Expenses will be estimated by the Administrator each year and will be reflected in each Annual Service Plan Update and the accompanying General Improvement Assessment Roll for

the year. The amount, if any, by which revenue collected for Administrative Costs and Expenses from the previous Assessment Year exceed the actual revenue required for such costs and expenses, the excess will be applied toward the estimated Administrative Costs and Expenses for the next Assessment Year.

SECTION IV SOURCES AND USES OF FUNDS

4.1 Section 372.013 of the PID Act requires this Service and Assessment Plan to cover a period of at least five years and must define the annual indebtedness and the projected costs for improvements. The PID Act requires that such plan be reviewed and updated annually to determine the annual budget for improvements.

4.2 Bond Funded Costs and Expenses. Table IV-A below identifies the sources and uses of funds, including the Bonds to be issued, to fund the Costs of the General Improvements and the Financing Costs and Expenses. The costs in Table IV-A are subject to revision, and the actual sources and uses of funds for any line item may be different. This table shall be updated upon the issuance of the Bonds and each year thereafter as part of the Annual Service Plan Update to reflect revisions to the plan and actual costs. This table is subject to revision in accordance with the Assessment Ordinance in the event of a refunding of the Bonds.

4.3 Assessed Costs Incurred Each Year. Table IV-B below identifies costs expected to be incurred each year (excluding annual principal installments on the Bonds). The Bonds are expected to be issued in 2008. The General Improvement Assessment for a Parcel may be paid in full at any time, and if not paid in full, will be paid annually as a General Improvement Annual Installment as shown on the Annual Service Plan Update and accompanying General Improvement Assessment Roll.

Table IV-B is subject to revision, and the actual sources and uses of funds for any line item may be different. This table shall be updated upon the issuance of the Bonds and each year thereafter as part of the Annual Service Plan Update to reflect revisions to the plan and actual costs, including changes in the year in which costs will be incurred. This table is subject to revision in accordance with the Assessment Ordinance in the event of a refunding of the Bonds.

Table IV-A
Sources and Uses of Funds

Use of Funds	Source of Funds			
	Assessments			Other Funds
	Bond Financed	Not Financed	Total Assessments	
Construction costs of the General Improvements:				
Bond financed	\$48,800,000		\$48,800,000	\$48,800,000
Non-bond financed		\$3,000,000	\$3,000,000	\$10,694,580
Interest on principal installments at 15%		\$127,764,750	\$127,764,750	\$127,764,750
Payments to the debt service reserve fund		\$2,126,476	\$2,126,476	\$2,126,476
Letter of credit maintenance fees		\$6,293,238	\$6,293,238	\$6,293,238
Letter of credit facility use charges		\$37,500	\$37,500	\$37,500
Interest Rate Management Agreement Payments		\$250,000	\$250,000	\$250,000
Interest Rate Management Agreement termination payment		\$2,500,000	\$2,500,000	\$2,500,000
Renewal and extension fees		\$250,000	\$250,000	\$250,000
Remarketing agent fees		\$425,883	\$425,883	\$425,883
Administrative costs and expenses		\$3,645,926	\$3,645,926	\$3,645,926
Total	\$48,800,000	\$145,293,773	\$195,093,773	\$202,788,353

Table IV-B
Assessed Costs Incurred by Year

Due Date	Non-Bond Financed Construction Costs of the General Improvements	Bonds	Interest on Principal Installments	Payments on debt service reserve fund	Letter of credit maintenance fees	Letter of credit facility use charges	Interest Rate Management Agreement Payments	Interest Rate Mgmt Agmt Term. Payments	Renewal Fees on LOC and Interest Rate Mgmt. Agmt.	Remarking		Total
										Agent Fee	Administrative Costs and Expenses	
2/1/2008		\$48,800,000			\$0	\$1,500	\$10,000	\$2,500,000	\$10,000	\$24,400	\$100,000	\$48,800,000
2/1/2009	\$3,000,000		\$7,320,000	\$531,619	\$382,470	\$1,500	\$10,000		\$10,000	\$24,400	\$103,000	\$13,879,989
2/1/2010			\$7,320,000	\$531,619	\$382,470	\$1,500	\$10,000		\$10,000	\$24,400	\$106,090	\$8,382,989
2/1/2011			\$7,320,000	\$531,619	\$381,294	\$1,500	\$10,000		\$10,000	\$24,400	\$109,273	\$8,384,903
2/1/2012			\$7,297,500	\$531,619	\$376,357	\$1,500	\$10,000		\$10,000	\$24,325	\$112,551	\$8,360,574
2/1/2013			\$7,203,000		\$370,439	\$1,500	\$10,000		\$10,000	\$24,010	\$115,927	\$7,731,500
2/1/2014			\$7,089,750		\$363,699	\$1,500	\$10,000		\$10,000	\$23,633	\$119,405	\$7,614,509
2/1/2015			\$6,960,750		\$356,058	\$1,500	\$10,000		\$10,000	\$23,203	\$122,987	\$7,480,915
2/1/2016			\$6,814,500		\$347,436	\$1,500	\$10,000		\$10,000	\$22,715	\$126,677	\$7,329,139
2/1/2017			\$6,649,500		\$337,835	\$1,500	\$10,000		\$10,000	\$22,165	\$130,477	\$7,157,677
2/1/2018			\$6,465,750		\$327,137	\$1,500	\$10,000		\$10,000	\$21,553	\$134,392	\$6,966,417
2/1/2019			\$6,261,000		\$315,263	\$1,500	\$10,000		\$10,000	\$20,870	\$138,423	\$6,753,025
2/1/2020			\$6,033,750		\$302,175	\$1,500	\$10,000		\$10,000	\$20,113	\$142,576	\$6,515,961
2/1/2021			\$5,783,250		\$287,754	\$1,500	\$10,000		\$10,000	\$19,278	\$146,853	\$6,254,357
2/1/2022			\$5,507,250		\$271,961	\$1,500	\$10,000		\$10,000	\$18,358	\$151,259	\$5,965,922
2/1/2023			\$5,205,000		\$254,680	\$1,500	\$10,000		\$10,000	\$17,350	\$155,797	\$5,649,789
2/1/2024			\$4,874,250		\$235,830	\$1,500	\$10,000		\$10,000	\$16,248	\$160,471	\$5,303,625
2/1/2025			\$4,513,500		\$215,296	\$1,500	\$10,000		\$10,000	\$15,045	\$165,285	\$4,925,812
2/1/2026			\$4,120,500		\$192,959	\$1,500	\$10,000		\$10,000	\$13,735	\$170,243	\$4,513,979
2/1/2027			\$3,693,000		\$168,741	\$1,500	\$10,000		\$10,000	\$12,310	\$175,351	\$4,065,795
2/1/2028			\$3,229,500		\$142,525	\$1,500	\$10,000		\$10,000	\$10,765	\$180,611	\$3,579,641
2/1/2029			\$2,727,750		\$114,153	\$1,500	\$10,000		\$10,000	\$9,093	\$186,029	\$3,053,107
2/1/2030			\$2,184,750		\$83,509	\$1,500	\$10,000		\$10,000	\$7,283	\$191,610	\$2,483,071
2/1/2031			\$1,598,250		\$50,474	\$1,500	\$10,000		\$10,000	\$5,328	\$197,359	\$1,867,161
2/1/2032			\$966,000		\$32,722	\$1,500	\$10,000		\$10,000	\$3,220	\$203,279	\$1,220,800
2/1/2033			\$626,250		\$0	\$1,500	\$10,000		\$10,000	\$2,088		\$853,117
Total		\$48,800,000	\$127,764,750	\$2,126,476	\$6,293,238	\$37,500	\$250,000	\$2,500,000	\$250,000	\$425,883	\$3,645,926	\$195,093,773

SECTION V ASSESSMENT PLAN

5.1 PID No. 1 was created, the General Improvement Assessments are being levied, and the Bonds are being issued pursuant to the PID Act. Section 372.015 of the PID Act provides as follows:

- (a) The governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district. The apportionment shall be made based on special benefits accruing to the property because of the improvement.
- (b) The cost of an improvement may be assessed:
 - (1) equally per front foot or square foot;
 - (2) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or
 - (3) in any other manner that results in imposing equal shares of the cost on property similarly benefited.
- (c) The governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality or county and the area to be assessed.
- (d) The amount of the assessment for each Owner may be adjusted following each annual review of this Service and Assessment Plan.

This section of this Service and Assessment Plan explains the allocation of the General Improvement Assessments based on the special benefits accruing to the Assessed Property such that equal shares of the General Improvement Costs and Expenses are apportioned to property similarly benefited. The determination by the City of the assessment methodology set forth below is the result of the discretionary exercise by the City Council of its legislative and governmental powers and is conclusive and binding on the Developer and all future owners and developers of property within PID No. 1.

5.2 The General Improvement Costs and Expenses may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the General Improvements equals or exceeds the General Improvement Assessments. The Assessed Property will receive a direct and special benefit from the General Improvements, and this benefit will be equal to or greater than the General Improvement Assessments. The General Improvements are provided specifically for property within PID No. 1. The General Improvements will provide road access, street lighting, water and sewer service, storm water management, parking, and other services specifically for the Assessed Property, and as a result will provide a special benefit to the Assessed Property.

5.3 The Owners have executed a Landowner Agreement in which they confirm, accept, agree to, and approve: (i) the creation and boundaries of PID No. 1 and the boundaries of each Parcel; (ii) the determinations and findings of the City Council as to the special benefits to the Assessed Property of the General Improvements; and (iii) the Assessment Ordinance, this Service and Assessment Plan, and the General Improvement Assessment Roll. The Owners further consent to and agree to pay when due the General Improvement Assessments for the purpose of providing the General Improvements. The Owners are acting in their interest in consenting to the General Improvement Assessments because the benefit they receive from the General Improvements exceeds the General Improvement Assessments.

5.4 The General Improvement Assessments are being levied to provide improvements that are required for the highest and best use of the Assessed Property (i.e., the use that is most valuable, including any costs associated with that use). Highest and best use is defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition.*) The General Improvements are required for the development as proposed to be physically possible, appropriately supported, and maximally productive.

5.5 The Owners have presented evidence to the City to allow the City Council to determine that the highest and best use of the Assessed Property is for upscale mixed-use commercial and residential purposes, the uses intended for the Assessed Property. The use of the Assessed Property as intended will be facilitated by the General Improvements.

5.6 Funding the General Improvement Costs and Expenses through PID No. 1 is on advantageous terms and facilitates improvements to multiple properties in a single undertaking, which would otherwise be difficult or impractical. As a result of these advantages, the financing of the General Improvements provided by PID No. 1 is the most beneficial means of financing the General Improvements. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

5.7 The General Improvements result in a special benefit to the Assessed Property, and this special benefit exceeds the General Improvement Assessments for the following reasons:

- (a) The General Improvements are being provided specifically for the use of the Assessed Property and provide a special benefit to the Assessed Property as a result;
- (b) The Owners have consented to the levy of the General Improvement Assessments for the purpose of providing the General Improvements;
- (c) The General Improvements confer a special benefit on the Assessed Property that enables the Assessed Property to be developed at its highest and best use;
- (d) The special benefits conferred on the Assessed Property by the General Improvements will be equal to or greater than the General Improvement Assessments that will finance the General Improvements, which are necessary to achieve the highest and best use of the Assessed Property and to substantially increase the value of taxable property within PID No. 1 and within the TIRZ.

5.8 The City Council may apportion the General Improvement Costs and Expenses in any manner that results in imposing equal shares of the cost on property similarly benefited and may establish reasonable classifications of property for the purpose of apportioning the General Improvement Costs and Expenses.

5.9 The General Improvement Costs and Expenses are allocated to Parcels according to the estimated usage of the General Improvements based on classifications of the Assessed Property. The classifications of the Assessed Property are based on expected land use and are as follows: Retail Property, Office Property, Hotel Property, and Residential Property. The General Improvement Assessments are allocated to property in each of these classifications according to the estimated use of the General Improvements by each property classification. The General Improvements consist primarily of road and utility improvements, therefore the use and benefit of these improvements is based on trip generation rates for Retail Property, Office Property, Hotel Property, and Residential Property.

5.10 Table V-A below shows the projected use of the General Improvements for each land use classification, the resulting equivalent unit factor, and the resulting General Improvement Assessment per BSF or per residential unit.

Table V-A
General Improvement Assessments

Land Use Classification	Use of the General Improvements	General Improvement Equivalent Units	General Improvement Assessment
Retail Property	42.92 trips	1.00	\$189,517 per 1,000 BSF
Office Property	8.92 trips	0.21	\$39,798 per 1,000 BSF
Hotel Property	12.66 trips	0.30	\$56,855 per 1,000 BSF
Residential Property	5.86 trips	0.14	\$26,532 per unit

5.11 The General Improvement Equivalent Units represent the ratio of the trip generation (and corresponding benefit) for each land use classification compared to Retail Property. The General Improvements Assessments for each land use category are established based on the same ratio as the General Improvement Equivalent Units, with the result that the total of the General Improvement Assessments is allocated to all the Assessed Property.

5.12 Non-Benefited Property will not materially benefit as a result of the General Improvements; accordingly, Non-Benefited Property is not assessed.

SECTION VI GENERAL IMPROVEMENT ASSESSMENTS

6.1 Introduction. This section includes provisions affecting the General Improvement Assessments including provisions related to reallocation upon subdivision or consolidation, mandatory prepayment, mandatory reductions, payment, and collection.

6.2 General Improvement Assessments. The General Improvement Assessment for each Parcel is shown on the General Improvement Assessment Roll. No General Improvement Assessment shall be changed except pursuant to the provisions of this Service and Assessment Plan, the Assessment Ordinance, or as permitted under the PID Act. The City Council may reapportion General Improvement Assessments on some or all of the Parcels, except for Parcels that are homesteads, upon the unanimous written request of the Owners for which the General Improvement Assessments are to be reapportioned if there has been a change in the projected General Improvement Equivalent Units of the Parcels.

6.3 Reallocation of General Improvement Assessments upon a Subdivision or Consolidation.

(a) Subdivision. Upon the subdivision of any Parcel, the General Improvement Assessment for the Parcel prior to the subdivision shall be reallocated among the new Parcels pursuant to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the General Improvement Assessment of each new Parcel

B = the General Improvement Assessment of the original Parcel prior to the subdivision

C = the General Improvement Equivalent Units of the new Parcel

D = the sum of the General Improvement Equivalent Units for all the new Parcels

The reallocation of General Improvement Assessments upon a subdivision shall be performed by the Administrator based on information available to the Administrator regarding the use of the Parcel being subdivided, and the reallocation shall be confirmed by the City. The reallocation, when confirmed by the City, shall be conclusive and binding on the Owners of the Parcels affected. The reallocation shall be made separately for each newly subdivided Parcel. The City is not required to confirm a reallocation without confirmation that the General Improvement Assessment for each subdivided Parcel will not exceed the Maximum General Improvement Assessment for the Parcel unless the Owner makes a mandatory prepayment to the City as provided by this Service and Assessment Plan. The City shall not approve the recordation of a plat or other document subdividing a Parcel without a letter from the Administrator either (i) confirming that the General Improvement Assessment for the new Parcels created by the subdivision will not exceed the Maximum General Improvement Assessment for the

Parcels, or (ii) confirming mandatory prepayments of the General Improvements as provided herein.

In all cases, the sum of the General Improvement Assessments for all newly subdivided Parcels shall equal the General Improvement Assessment for the original Parcel before the subdivision.

The reallocation of a General Improvement Assessment that involves a homestead under Texas law may not exceed the General Improvement Assessment on the Parcel prior to the reallocation.

All reallocations pursuant to this section shall be reflected in the next Annual Service Plan Update.

(b) Consolidation. Upon the consolidation of two or more Parcels, the General Improvement Assessment for the consolidated Parcel shall be the sum of the General Improvement Assessments for the Parcels prior to the consolidation. The reallocation of a General Improvement Assessment that involves a homestead under Texas law may not exceed the General Improvement Assessment on the Parcel prior to the reallocation.

6.4 Mandatory Prepayment of General Improvement Assessments.

(a) If at any time the General Improvement Assessment for a Parcel exceeds the Maximum General Improvement Assessment for the Parcel and cannot be reallocated to other Parcels pursuant to the provisions herein, a Mandatory Prepayment Event will occur. For a Parcel with respect to which a Mandatory Prepayment Event has occurred, the Owner shall pay the Mandatory Prepayment Amount to the City in immediately available funds within 30 days after written notice from the City or Administrator. The Mandatory Prepayment Amount shall be the amount calculated by the Administrator to be sufficient to reduce the General Improvement Assessment to an amount that does not exceed the Maximum General Improvement Assessment.

(b) If a Parcel is acquired by a party that is exempt from the payment of General Improvement Assessments under applicable law, or in the event an entire Parcel becomes Non-Benefited Property, the General Improvement Assessment relating to such Parcel shall become immediately due and payable by the Owner to the City and may be collected by the City from the proceeds of a sale, condemnation, or other form of consideration paid for the Parcel or from any other legally available source of funds. The Mandatory Prepayment Amount shall be the full amount of the General Improvement Assessment.

(c) The mandatory prepayments set forth above shall be subject to the same penalties, procedures, and foreclosure remedies for non-payment that apply to delinquent taxes and shall have the lien priority set forth in the PID Act. The City Council may provide other means of collecting these mandatory prepayments to the extent permitted under the PID Act and other applicable law.

6.5 Mandatory Reductions of General Improvement Assessments. The total of the General Improvement Assessments shall not exceed the total of the General Improvement Costs and Expenses. If at any time the City Council determines, for any reason, that the total of the General Improvement Assessments exceeds the total actual General Improvement Costs and Expenses, then the total of the General Improvement Assessments shall be reduced to an amount equal to the total actual General Improvement Costs and Expenses. In addition, if all of the General Improvements are not undertaken, then the General Improvement Assessment for each Parcel shall be reduced to only reflect the costs of the General Improvements actually undertaken. In the event of reductions as provided above, each General Improvement Assessment for each Parcel shall be reduced by an equal percentage. If General Improvement Assessments are reduced as provided above, any resulting excess Bond proceeds shall be used to redeem Bonds; however, the Structured Parking Improvement Assessments shall not be reduced to an amount less than the Structured Parking Improvement Costs and Expenses, including any outstanding Bonds.

6.6 Payment of General Improvement Assessments. General Improvement Assessments will be collected annually as set forth in the Annual Service Plan Update and corresponding General Improvement Assessment Roll for the same Assessment Year. The amount of the General Improvement Assessments shall be determined as set forth in this Service and Assessment Plan and as more particularly set forth in Sections 5 and 8 of the Assessment Ordinance. Each Annual Service Plan Update and corresponding General Improvement Assessment Roll for the same Assessment Year will reflect all payments that are due for the Assessment Year, taking into consideration the reductions set forth below and more particularly described in Section 8 of the Assessment Ordinance. General Improvement Assessments will be collected in the amounts set forth in this Section 6.6.

- (a) Principal. The collection of General Improvement Assessments to pay principal installments on the Bonds as provided in subsection 5(a)(i) of the Assessment Ordinance shall commence and continue as provided in Section 8 of the Assessment Ordinance.
- (b) Interest. The collection of General Improvement Assessments to pay annual installments of interest on principal installments on the Bonds as provided in subsection 5(a)(ii) of the Assessment Ordinance shall commence and continue as provided in Section 8 of the Assessment Ordinance.
- (c) Debt Service Reserve. The collection of General Improvement Assessments to make payments to the Debt Service Reserve Fund as provided in subsection 5(a)(iii) of the Assessment Ordinance shall commence and continue as provided in Section 8 of the Assessment Ordinance.
- (d) Cost to Complete Construction of the General Improvements. The collection of General Improvement Assessments to pay for the costs, if any, to complete construction of the General Improvements as provided in subsection 5(d) of the Assessment Ordinance shall occur as provided in Section 8 of the Assessment Ordinance.
- (e) Letter of Credit Fee and Letter of Credit Draw Fee. The collection of General Improvement Assessments to pay the Letter of Credit Fees as provided in subsection

5(b)(i)(A) of the Assessment Ordinance and to pay for the Letter of Credit Draw Fees as provided in subsection 5(b)(i)(B) of the Assessment Ordinance shall commence and continue as provided in Section 8 of the Assessment Ordinance.

(f) Annual Payments to Swap Provider. The collection of General Improvement Assessments to make annual payments to the Swap Provider required by the Interest Rate Management Agreement as provided in subsection 5(b)(ii) of the Assessment Ordinance shall commence and continue as provided in Section 8 of the Assessment Ordinance.

(g) Other Financing Fees, Costs, and Expenses. The collection of General Improvement Assessments to pay fees, costs, expenses, and payments to amend, renew, replace, or extend the Letter of Credit Agreement or Interest Rate Management Agreement and to pay remarketing fees and expenses as provided in Section 5(b)(iv) of the Assessment Ordinance shall commence and continue as provided in Section 8 of the Assessment Ordinance.

(h) Administrative Costs and Expenses. The collection of General Improvement Assessments to make annual payments of Administrative Costs and Expenses as provided in subsection 5(c) of the Assessment Ordinance shall commence and continue as provided in Section 8 of the Assessment Ordinance.

(i) Termination Payment. The collection of General Improvement Assessments to make a termination payment to the Swap Provider required by the Interest Rate Management Agreement as provided in subsection 5(b)(iii) of the Assessment Ordinance shall commence and continue as provided in Section 8 of the Assessment Ordinance.

6.7 Prepayment of General Improvement Assessments.

(a) As provided in Section 372.018(b) of the PID Act, an Owner may prepay, at any time, the full amount of the General Improvement Assessment against a Parcel, together with interest and the Owner's share of other assessed costs and expenses accrued to the prepayment date. Prepayments may be made on an interest payment date of the Bonds or a date that is not an interest payment date on the Bonds. Prepayments shall be calculated as set forth below and as more particularly described in Section 10(c) of the Assessment Ordinance. The amount of a prepayment shall be the sum of the Owner's share of the following computed to the date of prepayment:

(1) Unpaid principal installments for which General Improvement Assessments are levied in subsection 5(a)(i) of the Assessment Ordinance; plus

(2) Interest due and payable on the Bonds for which General Improvement Assessments are levied in subsection 5(a)(ii) of the Assessment Ordinance (subject to reduction and refund as provided in Section 10 of the Assessment Ordinance); plus

(3) Unpaid deposits into the Debt Service Reserve Fund for which General Improvement Assessments are levied in subsection 5(a)(iii) of the Assessment Ordinance (subject to credit as provided in Section 10 of the Assessment Ordinance)

Ordinance); plus

(4) Accumulated and unpaid Financing Costs and Expenses for which General Improvement Assessments are levied in subsections 5(b) of the Assessment Ordinance; plus

(5) Accumulated and unpaid Administrative Costs and Expenses for which General Improvement Assessments are levied in subsection 5(c) of the Assessment Ordinance; plus

(6) The lesser of (A) \$3,000,000, or (B) the amount by which the costs to complete construction of the General Improvements exceeds funds available from Bond proceeds and from other sources identified in the General Improvement Construction Contract, for which General Improvement Assessments are levied in subsection 5(d) of the Assessment Ordinance; and MINUS

(8) the Net Debt Service Reserve Fund Credit as defined in subsection 10 of the Assessment Ordinance.

If a General Improvement Assessment is not paid in full, it shall be paid in General Improvement Assessment Annual Installments in the amounts shown on each Annual Service Plan Update and accompanying General Improvement Assessment Roll, which includes all costs identified in Section 5 of the Assessment Ordinance

6.8 Calculation of the General Improvement Annual Payment. The General Improvement Annual Installment shall be reduced by revenue and other funds available to apply to the General Improvement Annual Revenue Requirement, such as Available TIRZ Revenues, capitalized interest, and interest income on account balances held by the Trustee, to an amount equal to the Annual Payment for each Parcel, which shall be calculated pursuant to the provisions of this section.

(a) General Improvement Annual Payment. The General Improvement Annual Payment for each Parcel shall be calculated as follows:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the General Improvement Annual Payment for a Parcel
- B = the General Improvement Annual Revenue Requirement for which the General Improvement Annual Payment is being calculated
- C = the General Improvement Adjusted Annual Installment for the Parcel
- D = the General Improvement Adjusted Annual Installment for all Parcels

- (b) General Improvement Adjusted Annual Installment. The General Improvement Adjusted Annual Installment for a Parcel for an Assessment Year shall equal the General Improvement Annual Installment for the Parcel less the General Improvement Annual Credit for the Parcel.
 - (c) General Improvement Annual Credit. The General Improvement Annual Credit for a Parcel for an Assessment Year shall be equal to the Available TIRZ Revenues included in the calculation of the General Improvement Annual Revenue Requirement for that Assessment Year allocable to that Parcel. Available TIRZ Revenues shall be allocated to a Parcel by a fraction (1) the numerator of which is real property tax revenues for the Parcel for the Assessment Year and (2) the denominator of which is the real property tax revenues for all the Parcels for the Assessment Year.
- 6.9 Collection of Annual Installments. No less frequently than annually, the Administrator or the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of General Improvements Annual Installments. Each Annual Service Plan Update shall include an updated General Improvement Assessment Roll and a calculation of the General Improvements Annual Installments for the Parcels. Each General Improvement Annual Installment shall be reduced as provided in the Assessment Ordinance, this Service and Assessment Plan, and the Trust Indenture. General Improvement Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure process as are provided for ad valorem taxes. The City may provide for other means of collecting the General Improvement Annual Installments to the extent permitted under the PID Act. The General Improvement Assessments shall have lien priority as specified in the PID Act. Any sale of property for nonpayment of General Improvement Annual Installments shall be subject to the lien established for the remaining unpaid General Improvement Annual Installments against such property, and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent General Improvement Annual Installments against such property as they become due and payable

SECTION VII GENERAL IMPROVEMENT ASSESSMENT ROLL

The Administrator shall prepare and the City Council shall approve an update to this Service and Assessment Plan and to the corresponding General Improvement Assessment Roll when Bonds are issued to reflect the information set forth below with respect to each Parcel. The Administrator shall also prepare and the City Council shall approve Annual Service Plan Updates and annual updates to the accompanying General Improvement Assessment Roll to reflect the information set forth below with respect to each Parcel:

- (a) the identification of each Parcel (including tax ID number if available);
- (b) the General Improvement Assessment, including any adjustments provided for in

this Service and Assessment Plan and the Assessment Ordinance;

- (c) the General Improvement Annual Installment;
- (e) the General Improvement Annual Credit;
- (f) the General Improvement Annual Payment;
- (g) adjustments, if any, to the General Improvement Costs and Expenses and/or to the scope of the General Improvements, together with any corresponding adjustments to the General Improvement Assessments;
- (h) prepayments as provided for in this Service and Assessment Plan and the Assessment Ordinance; and
- (i) any other changes helpful to the administration of PID No. 1 and permitted by the PID Act.

SECTION VIII MISCELLANEOUS PROVISIONS

8.1 Administrative Review.

(a) An Owner claiming that a calculation error has been made in the General Improvement Assessment Roll shall send a written notice to the City describing the error not more than 30 days after the date any amount that is alleged to be incorrect is due. The Administrator shall promptly review the notice and, if necessary, meet with the Owner, consider the evidence regarding the alleged error, and decide whether such an error occurred.

(b) If the Administrator determines that a calculation error has been made and the General Improvement Assessment Roll should be corrected in favor of the Owner, such correction shall be presented to the City Council for approval. A cash refund may not be made for any amount previously paid (except for the final year during which the General Improvement Annual Installment is collected) unless there are sufficient funds to meet the obligations of PID No. 1 if a refund is made; however, an adjustment shall be made in the amount of the General Improvement Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error may be appealed to the City Council. Corrections to the General Improvement Assessment Roll shall be made pursuant to the PID Act.

8.2 Termination of General Improvement Assessments. Except for delinquent General Improvement Assessments and Delinquent Collection Costs, General Improvement Assessments shall terminate when paid in full as provided in this Service and Assessment Plan and in the Assessment Ordinance. Within a reasonable time after the termination of General Improvement Assessments and the payment of delinquent General Improvement Assessments and Delinquent Collection Costs, the City shall provide to the Owner a recordable notice of the termination of the General Improvement Assessments (or shall directly record such notice).

8.3 Amendments: Supplemental Assessments. Minor amendments may be made to this Service and Assessment Plan by the City Council without further notice under the PID Act and without notice to the Owners. Minor amendments shall be those that (a) clarify or correct minor inconsistencies in the matters set forth herein, including typographical errors or (b) provide for lawful procedures for the collection and enforcement of the General Improvement Assessments and other charges imposed herein so as to assure their efficient collection, to the extent permitted under the PID Act. Amendments to this Service and Assessment Plan may be made by the City Council upon notice and hearing provisions as described in the PID Act. Supplemental assessments may be made by the City Council to correct omissions or mistakes in the General Improvement Assessments relating to the total cost of the General Improvements pursuant to Section 372.019 of the PID Act.

8.4 Interpretation of Provisions. Unless otherwise provided in this Service and Assessment Plan, the City Council shall make all interpretations and determinations related to the application of this Service and Assessment Plan.

8.5 Severability. If any provision of this Service and Assessment Plan, or the application of same to a Parcel or any person or set of circumstances, is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining provisions and the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no provision hereof shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose. If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan, and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

8.6 Exhibits. The following exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

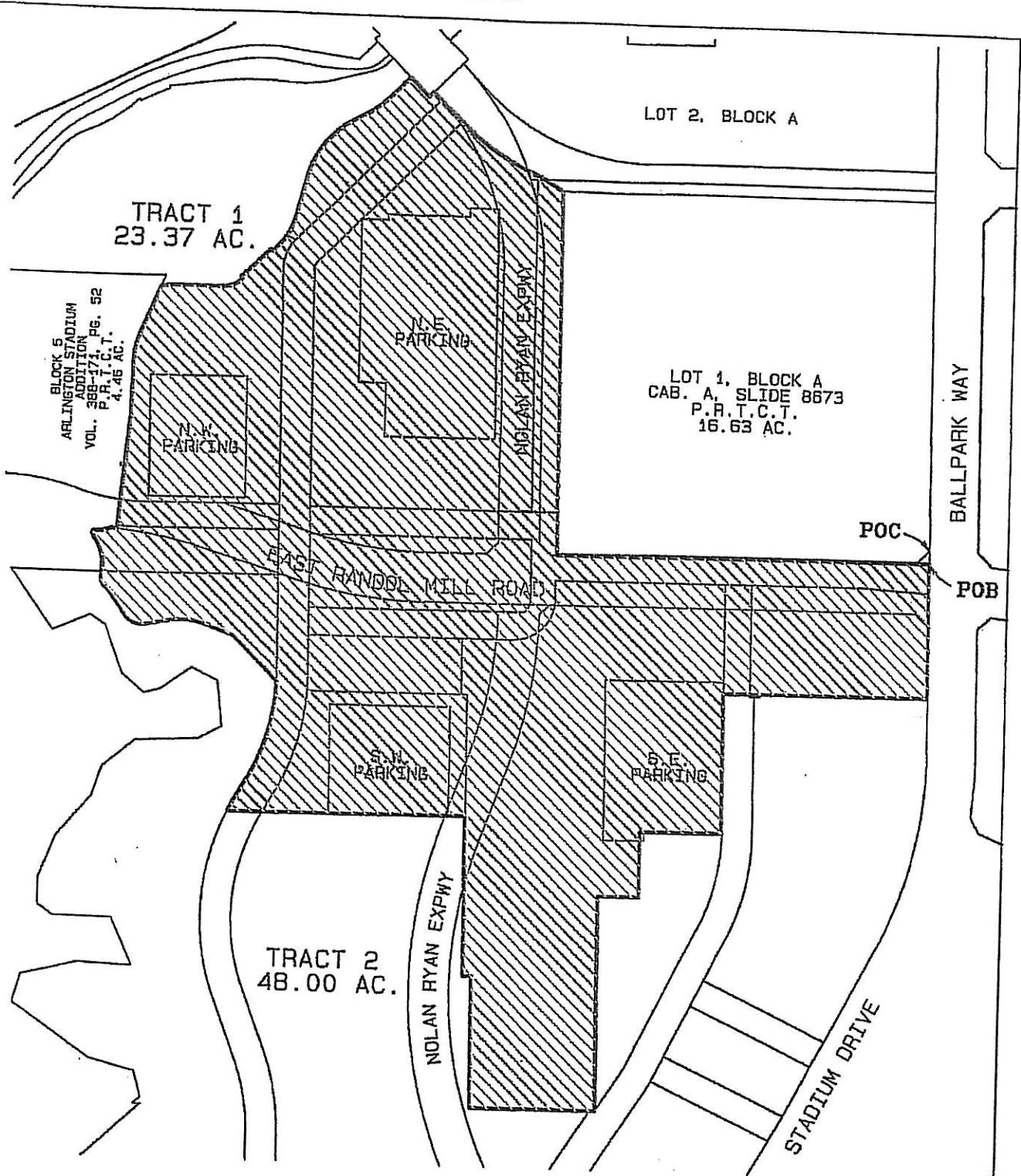
Exhibit A - PID No. 1 Map

Exhibit B – Assessed Property

Exhibit C - General Improvements Assessment Roll

Exhibit A
PID No. 1 Map

EXHIBIT A



PID NO. 1 MAP

Exhibit B
Assessed Property

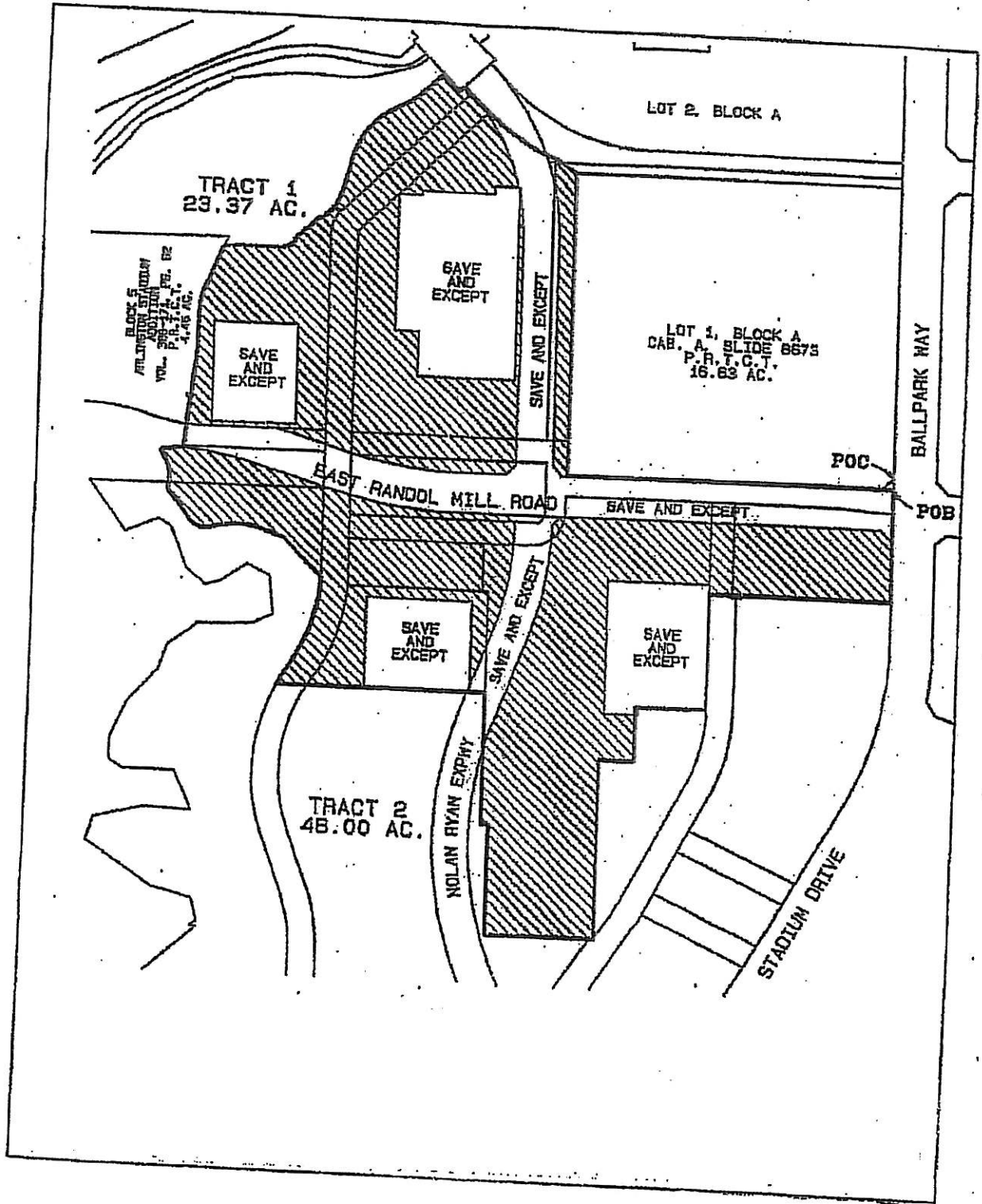


Exhibit C
General Improvements Assessment Roll

General Improvement Assessment Roll
City of Arlington, Texas
PID No. 1
General Public Improvement Service and Assessment Plan
(Glorypark Project)
Parcel of Assessed Property as Shown on Exhibit B

Annual Installment																						
Due Date	Principal Installments	Non-Bond Financed Construction Costs of the General Improvements		Interest on Principal Installments		Payments on debt service reserve fund		Letter of credit maintenance fees		Letter of credit facility use charges		Interest Rate Management Agreement Payments		Interest Rate Mgmt Agmt. Term. Payments		Renewal Fees on LOC and Interest Rate Mgmt. Agmt.		Remarking Agent Fees		Administrative Costs and Expenses		Total
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2/1/2008	\$0	\$0	\$3,000,000	\$7,320,000	\$531,619	\$382,470	\$1,500	\$1,500	\$2,500,000	\$10,000	\$24,400	\$100,000	\$13,879,989	\$13,879,989								
2/1/2009	\$0	\$0	\$7,320,000	\$531,619	\$382,470	\$1,500	\$1,500	\$0	\$10,000	\$24,400	\$103,000	\$8,382,989	\$8,382,989									
2/1/2010	\$150,000	\$0	\$7,320,000	\$531,619	\$381,294	\$1,500	\$1,500	\$0	\$10,000	\$24,400	\$106,090	\$8,534,903	\$8,534,903									
2/1/2011	\$630,000	\$0	\$7,297,500	\$531,619	\$376,357	\$1,500	\$1,500	\$0	\$10,000	\$24,325	\$109,273	\$8,990,574	\$8,990,574									
2/1/2012	\$755,000	\$0	\$7,203,000	\$0	\$370,439	\$1,500	\$1,500	\$0	\$10,000	\$24,010	\$112,551	\$8,486,500	\$8,486,500									
2/1/2013	\$860,000	\$0	\$7,089,750	\$0	\$363,699	\$1,500	\$1,500	\$0	\$10,000	\$23,633	\$115,927	\$8,474,509	\$8,474,509									
2/1/2014	\$975,000	\$0	\$6,960,750	\$0	\$356,058	\$1,500	\$1,500	\$0	\$10,000	\$23,203	\$119,405	\$8,455,915	\$8,455,915									
2/1/2015	\$1,100,000	\$0	\$6,814,500	\$0	\$347,436	\$1,500	\$1,500	\$0	\$10,000	\$22,715	\$122,987	\$8,429,139	\$8,429,139									
2/1/2016	\$1,225,000	\$0	\$6,649,500	\$0	\$337,835	\$1,500	\$1,500	\$0	\$10,000	\$22,165	\$126,677	\$8,382,677	\$8,382,677									
2/1/2017	\$1,365,000	\$0	\$6,465,750	\$0	\$327,137	\$1,500	\$1,500	\$0	\$10,000	\$21,553	\$130,477	\$8,331,417	\$8,331,417									
2/1/2018	\$1,515,000	\$0	\$6,261,000	\$0	\$315,263	\$1,500	\$1,500	\$0	\$10,000	\$20,870	\$134,392	\$8,268,025	\$8,268,025									
2/1/2019	\$1,670,000	\$0	\$6,033,750	\$0	\$302,175	\$1,500	\$1,500	\$0	\$10,000	\$20,113	\$138,423	\$8,185,961	\$8,185,961									
2/1/2020	\$1,840,000	\$0	\$5,783,250	\$0	\$287,754	\$1,500	\$1,500	\$0	\$10,000	\$19,278	\$142,576	\$8,094,357	\$8,094,357									
2/1/2021	\$2,015,000	\$0	\$5,507,250	\$0	\$271,961	\$1,500	\$1,500	\$0	\$10,000	\$18,358	\$146,853	\$7,980,922	\$7,980,922									
2/1/2022	\$2,205,000	\$0	\$5,205,000	\$0	\$254,680	\$1,500	\$1,500	\$0	\$10,000	\$17,350	\$151,259	\$7,854,789	\$7,854,789									
2/1/2023	\$2,405,000	\$0	\$4,874,250	\$0	\$235,830	\$1,500	\$1,500	\$0	\$10,000	\$16,248	\$155,797	\$7,708,625	\$7,708,625									
2/1/2024	\$2,620,000	\$0	\$4,513,500	\$0	\$215,296	\$1,500	\$1,500	\$0	\$10,000	\$15,045	\$160,471	\$7,545,812	\$7,545,812									
2/1/2025	\$2,850,000	\$0	\$4,120,500	\$0	\$192,959	\$1,500	\$1,500	\$0	\$10,000	\$13,735	\$165,285	\$7,363,979	\$7,363,979									
2/1/2026	\$3,090,000	\$0	\$3,693,000	\$0	\$168,741	\$1,500	\$1,500	\$0	\$10,000	\$12,310	\$170,243	\$7,155,795	\$7,155,795									
2/1/2027	\$3,345,000	\$0	\$3,229,500	\$0	\$142,525	\$1,500	\$1,500	\$0	\$10,000	\$10,765	\$175,351	\$6,924,641	\$6,924,641									
2/1/2028	\$3,620,000	\$0	\$2,727,750	\$0	\$114,153	\$1,500	\$1,500	\$0	\$10,000	\$9,093	\$180,611	\$6,673,107	\$6,673,107									
2/1/2029	\$3,910,000	\$0	\$2,184,750	\$0	\$83,509	\$1,500	\$1,500	\$0	\$10,000	\$7,283	\$186,029	\$6,393,071	\$6,393,071									
2/1/2030	\$4,215,000	\$0	\$1,598,250	\$0	\$50,474	\$1,500	\$1,500	\$0	\$10,000	\$5,328	\$191,610	\$6,082,161	\$6,082,161									
2/1/2031	\$2,265,000	\$0	\$966,000	\$0	\$32,722	\$1,500	\$1,500	\$0	\$10,000	\$3,220	\$197,359	\$3,485,800	\$3,485,800									
2/1/2032	\$4,175,000	\$0	\$626,250	\$0	\$0	\$1,500	\$1,500	\$0	\$10,000	\$2,088	\$203,279	\$5,028,117	\$5,028,117									
Total	\$48,800,000	\$3,000,000	\$127,764,750	\$2,126,476	\$6,293,238	\$37,500	\$37,500	\$2,500,000	\$250,000	\$425,883	\$3,645,926	\$195,093,773	\$195,093,773									